

Wisconsin Department of Transportation

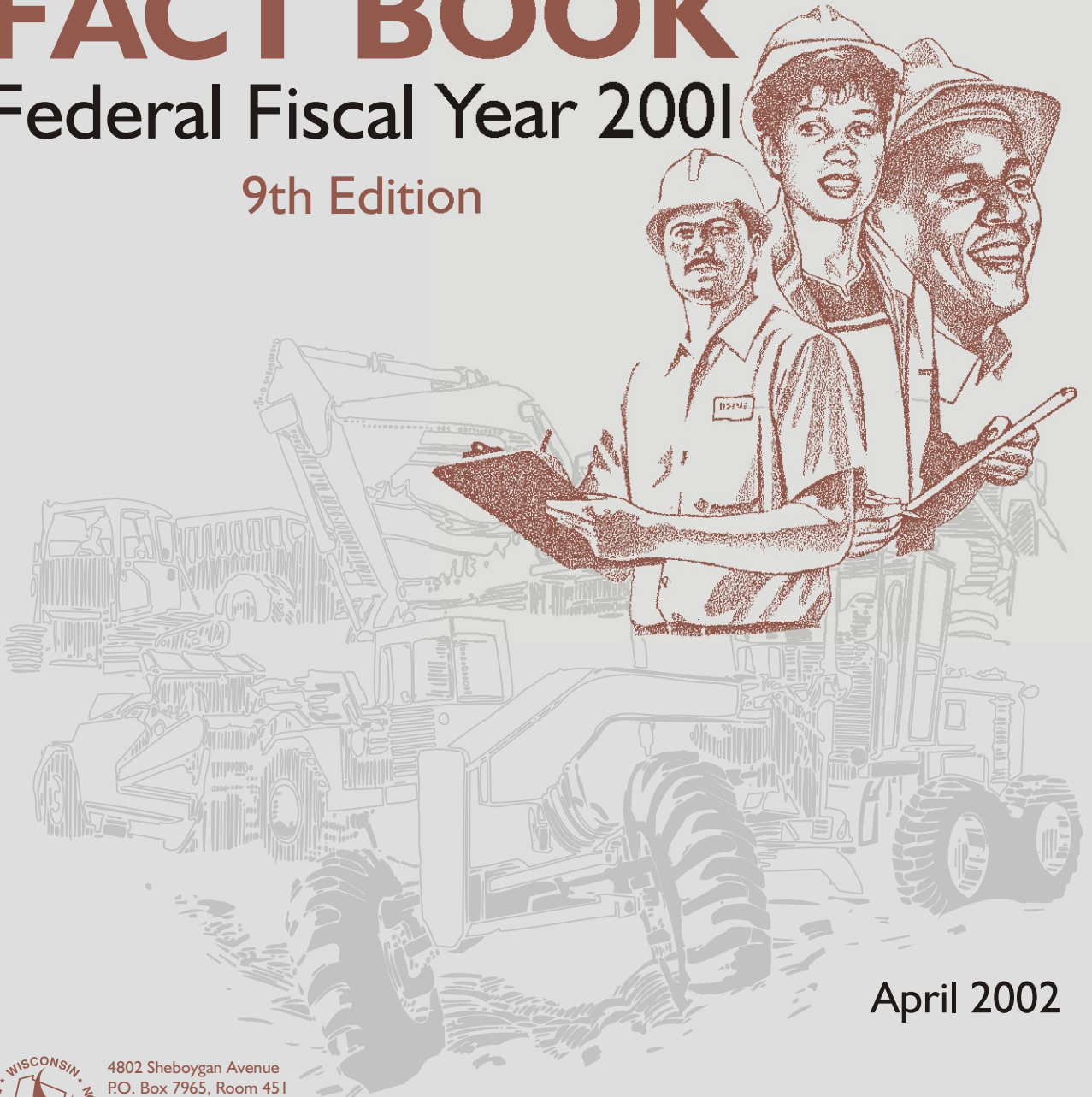
Division of Transportation Infrastructure Development

Office of Disadvantaged Business Enterprise Programs

# FACT BOOK

## Federal Fiscal Year 2001

9th Edition



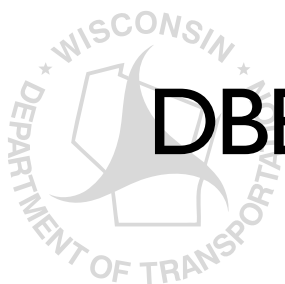
April 2002



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# DBE Factbook 2001

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## **Acknowledgements**

The Office of Disadvantage Business Enterprise Programs (ODBEP) is proud to provide the Ninth Edition of the Fact Book compiled and produced by the Office of Disadvantaged Business Enterprise Programs. The information for Federal Fiscal Year 2001 contained in the pages that follow makes this book a valuable source document for our diverse customers and stakeholders. The success of the businesses and workers in our programs largely depends upon the commitment and support of our many partners in industry, labor, community organizations, and government. We are confident that the strength of our partnerships will enable us to continue building Wisconsin's transportation infrastructure, while maintaining a quality environment for the people of Wisconsin now and for years to come.

We gratefully acknowledge the commitment and support of the stakeholders listed below, whose efforts continue to shape opportunities for disadvantaged businesses and workers including the Office of the Secretary, Wisconsin Department of Transportation, Division of Transportation Infrastructure Development, Division of Transportation Districts, Division of Transportation Investment Management, Federal Highway Administration—Wisconsin Division, Wisconsin Transportation Builders Association, National Association of Minority Contractors—Wisconsin Chapter, Wisconsin Association of Consulting Engineers, Associated Builders and Contractors, Inc., Great Lakes Intertribal Council, Community Based Organizations, and our many other partners in the transportation industry, employment and training trade groups, and government community.



# Executive summary

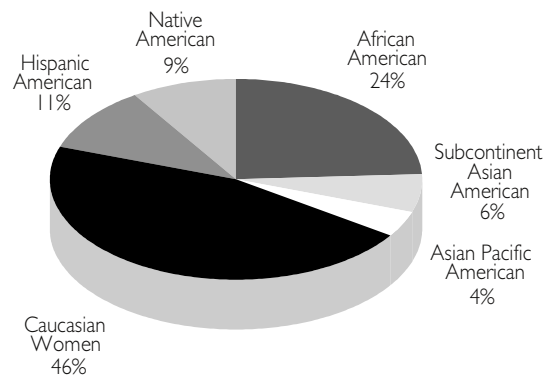


## Disadvantaged Business Enterprise Program Outcomes Federal Fiscal Year 2001

- The goal achievement for federal fiscal year 2001 was 8.47%, with a total dollar amount of \$36,956,128 achieved by 264 certified firms.
- Seventy-two percent of 264 WisDOT certified firms are in-state firms, with 54% of them located in District 2.
- Twenty-eight percent of the 264 WisDOT certified firms are out-of-state firms, and 40% of them are located in the state of Illinois.
- The discretionary goal percentage declined from 6.11% in 1991 to 3.38% in 2001 due to a lack of DBE utilization.
- The total dollar amount of good faith effort waivers for this year was \$7,354,526.
- Over the last year, trucking has accounted for about \$7 million of the \$37 million expended with certified disadvantaged business enterprises.

## DBE Program Information Federal Fiscal Year 2001

### Percentage of DBE Firms by Racial/Ethnic Group



Ethnic Group	Male	Female	Total
African American	51	13	64
Subcontinent Asian American	15	1	16
Asian Pacific American	7	4	11
Caucasian Women	N/A	121	121
Hispanic American	25	3	28
Native American	21	3	24
<b>Total</b>	<b>119</b>	<b>145</b>	<b>264</b>

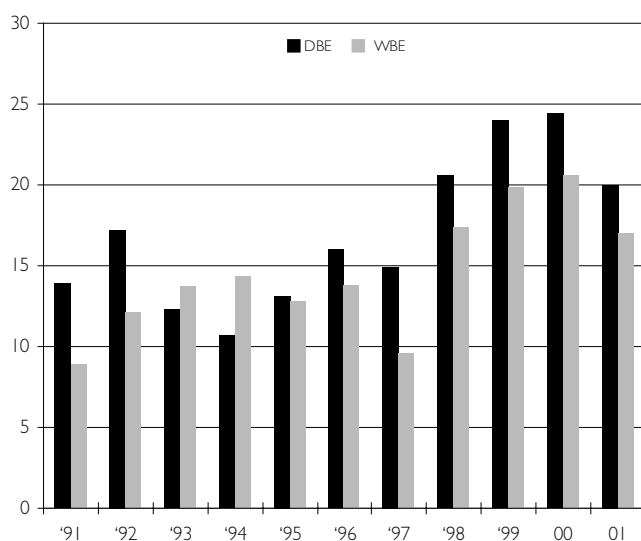
## Dollar Achievement of DBE Firms

Type of Work	Federal Amount	Percent
Grading	\$2,642,042	7.15%
Landscaping	\$3,662,220	9.91%
Materials	\$5,018,256	13.58%
Paving	\$1,814,118	4.91%
Structures	\$7,679,532	20.78%
Traffic control	\$962,885	2.61%
Trucking	\$6,982,994	18.90%
Other	\$164,372	.44%
Consultant	\$8,029,709	21.73%
<b>Total</b>	<b>\$36,956,128</b>	<b>100.00%</b>

## Minority Status

White Women Business Enterprise (WWBE)	\$16,691,016.00
Minority Women Business Enterprise (MWBE)	\$3,312,380.00
Minority Business Enterprise (MBE)	\$16,952,732.00
<b>Total</b>	<b>\$36,956,128.00</b>
<b>Achievement</b>	<b>8.47%</b>

## DBE Federal Dollar Achievement Federal Fiscal Years 1991–2001



- The overall achievement of DBE firms has remained steady in recent years.
- The total dollar achievement of certified firms gradually increased between 1991 and 1992. It remained steady between 1993 and 1997 before increasing between 1998 and 2001.

FFY Year	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
DBE \$	13.9	17.2	12.3	10.7	13.1	16.0	14.9	20.6	24.0	24.4	20.0
WBE \$	8.9	12.1	13.7	14.3	12.8	13.8	9.6	17.4	19.8	20.6	17.0
<b>Total \$</b>	<b>22.8</b>	<b>29.3</b>	<b>26.0</b>	<b>25.0</b>	<b>25.9</b>	<b>29.8</b>	<b>24.5</b>	<b>38.0</b>	<b>43.8</b>	<b>45.0</b>	<b>37.0</b>
<b>Percent</b>	<b>12.5</b>	<b>10.50</b>	<b>10.50</b>	<b>11.00</b>	<b>10.90</b>	<b>10.89</b>	<b>11.84</b>	<b>10.15</b>	<b>10.17</b>	<b>10.92</b>	<b>8.47</b>



## DBE Program Accomplishments Federal Fiscal Year 2001

During federal fiscal year 2001, WisDOT continued its intensive efforts to promote and strengthen the disadvantaged business programs. Some of these efforts included:

- Continued a \$1.5 million DBE Loan Guarantee Program
- Conducted improved workshops and training seminars for DBEs
- Provided improved management and technical assistance to DBEs
- Monitored the relationships between prime contractors and DBEs on performance and communication issues
- Evaluated the work activities of the DBE firms to identify areas where more support was necessary
- Continued our intense certification process to ensure that only legitimate firms were involved in the DBE Program
- Recognized "good faith efforts" made by non-DBE and DBE contractors participating in the program
- Launched a variety of new program initiatives for current and future needs

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**WisDOT has used these efforts to increase the competitiveness and viability of DBE firms performing on its projects, and to enhance the communication between DBE and non-DBE contractors.**

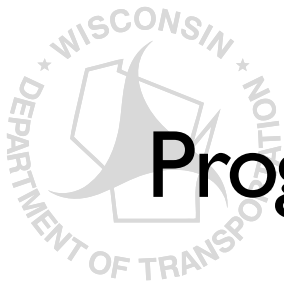
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## WisDOT Modal Divisions and Composite Achievements Federal Fiscal Year 2001

Aeronautics (Contracts)	\$1,402,613
Congestion Mitigation and Air Quality Improvement Program (CMAQ)	\$250,380
Construction (Prime/Sub/Contracts)	\$28,926,419
Consultant Contracts	\$8,029,709
Real Estate (No Federal participation— State dollar only. There was no dollar achievement in real estate.)	
Transit	\$750,601







# Program background



On January 6, 1983, President Reagan signed into law the Surface Transportation Assistance Act of 1982. The act set a national goal of placing at least 10% of federal highway and transit funds with persons who qualify as disadvantaged small business operators; a subsequent act in 1987 included women. In 1980, Wisconsin began its Disadvantaged Business Enterprise (DBE) Program with the purpose of increasing the participation of minority and women-owned businesses in all federal aid and state highway contracts. The Office of Disadvantaged Business Enterprise Program at the Wisconsin Department of Transportation (WisDOT) was formally staffed in 1983 and has had two directors.

Each year, WisDOT allocates approximately \$600 million or more federal and state dollars for highway and airport maintenance and repair projects. In addition, it allocates another \$100 million for design contracts. Although this money is not mandated, about 10% of it, or about \$60 million, could go to DBE participation annually. WisDOT is committed to providing maximum contracting opportunities for qualified DBE firms who seek to do highway work on its construction projects. This includes assisting DBEs throughout the life of the contracts in which they participate.

## Definitions

The following definitions are used by WisDOT to determine if a firm is owned and controlled by one or more minorities or women and, therefore, eligible to be certified as a DBE pursuant to 49 CFR Part 26.

### **“Affirmative action”**

means the action of taking specific steps to eliminate discrimination and its effects to ensure nondiscriminatory results and practices in the future.

### **“Appeal”**

means the proceeding by which an application for DBE status is reconsidered.

### **“Asian Pacific Americans”**

mean individuals who have origins in any of the original peoples of Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, and Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific, and the Northern Marianas.

### **“Black American”**

means any person having origins from any of the black racial groups of Africa.

### **“Certification”**

means the process by which an applicant's eligibility to participate in the WisDOT DBE program is determined.

### **“Code of Federal Regulations 49 Part 26”**

means the general and permanent rules published in the Federal Register that covers the USDOT DBE program requirements.



**“Contractor”**

means an individual or firm's representative who participates through a contract, subcontract, or lease agreement in any manner covered by this program. For the purpose of the WisDOT DBE program a consultant is defined as a contractor/subcontractor.

**“DBE directory”**

means a compilation of WisDOT certified disadvantaged businesses that is provided to contractors to identify subcontractors.

**“Disadvantaged business enterprise”**

means a small business that is at least 51% owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly owned business, at least 51% of the stock of which is owned by one or more socially and economically disadvantaged individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

**“DBE Liaison Officer”**

means the individual designated by the WisDOT Secretary that has the responsibility for insuring that the DBE program is developed, implemented, and managed on a day-to-day basis.

**“FAA”**

means the Federal Aviation Administration.

**“FHWA”**

means the Federal Highway Administration.

**“Federally assisted contracts”**

mean any contract or contract modification between a recipient and a contractor or a recipient and a lessee that is paid for in whole or in part with USDOT financial assistance.

**“FTA”**

means the Federal Transit Authority.

**“Hispanic”**

means a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

**“Joint venture”**

means the combined activity of two or more individuals, firms, or organizations.

**“Mentor protégé firm”**

means a company that is a disadvantaged business enterprise (DBE) that receives tutoring, coaching, or financial assistance from a non-DBE company through a WisDOT approved written agreement between the two firms.

**“Native American and Alaskan Native”**

means any person having origins in any of the original peoples of North America.

**“Portuguese”**

means any person of Portuguese, Brazilian, or other Portuguese culture or origin, regardless of race.

**“Recipient”**

means any entity, public or private, to which the USDOT provides financial assistance directly or through another recipient for any program.

**“Secretary”**

means the Secretary of the Wisconsin Department of Transportation (WisDOT).

**“Small business concern”**

means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto.

**“Socially and economically disadvantaged individual”**

means any person that is a U.S. citizen (or lawfully admitted permanent residents) and who is a Black American, Hispanic American, Native American, Asian-Pacific American, Asian-Indian American, or a woman, and any other minority or individual found to be

disadvantaged by the Small Business Administration pursuant to Section 8(a) of the Small Business Act. To be considered economically disadvantaged, an individual's net worth independent of home and business, must be below \$750,000.

**“Subcontinent Asian Americans”**

mean individuals whose origins are from India, Pakistan, and Bangladesh.

**“Subcontractor”**

means a person or organization that has a direct contract with a prime contractor to perform that portion of the work that is required by WisDOT.

**“Sub-recipient”**

means a recipient who receives USDOT financial assistance after it passes through WisDOT. Wisconsin may pass some or all of this assistance on to another recipient.

**“Supplier”**

means a business having title to the material or equipment and engaged in the business of selling such items. The business must maintain independent storage facilities or a delivery system.

**“Third-party Challenge”**

means the proceeding where an individual, individuals, an organization, or organizations challenge the disadvantaged business enterprise status of a firm certified with WisDOT.

**“TRANSAC”**

means the permanent standing committee formed to advise the WisDOT Secretary on matters concerning disadvantaged business enterprises including annual goals and program revisions.

**“USDOT”**

means the United States Department of Transportation.

## **Policy Statement, Authority, and Objectives**

It is the policy of WisDOT to support the fullest possible participation of firms owned and controlled by disadvantaged individuals in federal aid and state highway contracts within the state of Wisconsin. This includes assisting disadvantaged business enterprises throughout the life of contracts in which they participate. The policy will be disseminated in subsequent agreements between WisDOT and contractors. The DBE Program was established under the authority of the WisDOT's Secretary in accordance with 49 CFR Part 26. The policy objectives are:

- To insure that DBEs have an equitable opportunity to compete for contracts and subcontracts.
- To insure that DBEs have an opportunity to compete for and participate in contracts and subcontracts in amounts consistent with WisDOT's annual DBE goals.
- To encourage the use of lending institutions owned and controlled by disadvantaged individuals and women.
- To publish a comprehensive DBE Directory to facilitate identifying DBEs with capabilities relevant to highway contracting requirements and to particular solicitations.
- To ascertain eligibility of DBEs and joint ventures involving DBEs to insure that the DBE Program benefits only firms owned and controlled by eligible disadvantaged individuals and women.
- To establish reasonable percentage goals for the dollar value of work to be awarded to DBEs. Both overall annual goals for the DBE Program and contract goals for specific prime contracts with subcontracting possibilities shall be established.

- To establish solicitation, award and contract administration procedures that will insure either that goals are met or that sufficient reasonable efforts are taken to meet goals. WisDOT advises sub-recipients, contractors, or subcontractors, through the Special Provisions of the contract, that failure to carry out this policy may result in termination of the award.
- Technical assistance in bid take off, scheduling, cash flow, etc. is offered to DBEs by WisDOT through the DBE Supportive Services Program.
- When a disadvantaged contractor becomes certified with WisDOT, it is provided a copy of the Standard Specifications Book. WisDOT also adds the contractor to the mailing list for up-coming projects. The DBE Supportive Services Program contacts each DBE to determine its interest in bidding on WisDOT projects that are in the DBE's primary and secondary work area.

## **Discrimination and Title VI**

No person shall be excluded from participation in, denied the benefits of, or otherwise discriminated against in connection with the award and performance of any contract covered by this part, on the grounds of race, color, national origin, sex, age or handicap other than is determined necessary by WisDOT to comply with the Program requirement, as set forth in Section 9 herein and 49 CFR Section 26.7. It is the policy of WisDOT to ensure full compliance with Title VI of the Civil Rights Act of 1964 and related statutes and regulations in all programs and activities. Title VI and related statutes require that no person in the United States shall on the grounds of race, color, sex or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The following procedures ensure that disadvantaged business enterprises receive an equitable opportunity to compete for WisDOT contracts and subcontracts.

- All solicitations for bids are advertised in the Western Builder publication. Solicitations for design and highway contracts are also available on the internet at [www.dot.state.wi.us/dtid/bhc/hwybids.html](http://www.dot.state.wi.us/dtid/bhc/hwybids.html).
- WisDOT utilizes the DBE Supportive Services Program and other financial agencies to help DBEs in bidding and bonding.

## **DBE Directory**

WisDOT publishes a directory of certified DBE firms bi-annually with a monthly addendum. The directory is a public document, and is made available to all bidders, contractors, and all who request it. The directory lists the firm's type of work, and geographical areas of the state the company will do work in. The firm's address, phone and fax numbers, as well as any on-line information available is also listed. The DBE Directory may be obtained on line at [www.dot.state.wi.us/dtid/odbe/dbe.html](http://www.dot.state.wi.us/dtid/odbe/dbe.html) or by calling 608.266.6961.

## **Transportation Advisory Committee**

The Transportation Advisory Committee (TRANS-AC) is a permanent standing committee that advises WisDOT on DBE matters. This includes but is not limited to overall annual goals and program revisions. The TRANS-AC committee is responsible for reviewing and recommending DBE program and related policy to the Secretary of WisDOT. The committee also reviews program results and advises the WisDOT Secretary on matters impacting DBE contracting and procurements. TRANS-AC has seven voting members, meets at least semi-annually, and is chaired by the WisDOT Deputy Secretary who may call meetings as needed.

TRANS-AC members consist of:

- A Woman-Owned Disadvantaged Business Enterprise appointed by the Chairperson,
- Three members of the Wisconsin Chapter of the National Association of Minority Contractors (NAMC),
- Three members of the Wisconsin Transportation Builders Association (WTBA),
- Three Staff Persons from WisDOT, and
- One Staff Person from the Federal Highway Administration (FHWA)

### **Certification Review Committee**

The Certification Review Committee receives and conducts an in-depth review of all documentation related to applications from firms that have initially been denied certification in the DBE Program.

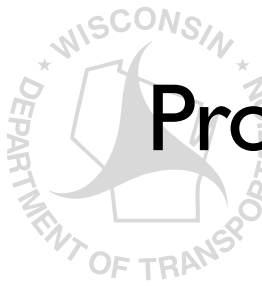
This review follows an on-site investigation and an initial review by Equal Employment Opportunity (EEO) Labor Compliance Coordinators in each one of the eight WisDOT district offices. A flowchart of the certification process is in the appendix.



### **Informal Hearing Committee**

The Informal Hearing Committee is a permanent standing committee that advises the DBE Programs Director on the eligibility of firms requesting DBE certification. The Informal Hearing Committee meets with DBE firm owners to hear their reasons for believing certification should be granted. This committee meets upon the request of the DBE Programs Director. The committee consists of five members that are appointed by the WisDOT Secretary. The DBE Programs Director is the committee's chair.





# Program components

The DBE Office administers many different programs and services to deliver assistance to the owners of certified DBE firms and those of highway construction companies. These programs and services include but are not limited to finance, management, technical support, and labor. This section discusses these programs and services.

## Certifications and Hearings

The WisDOT DBE Program has attained national prominence for its uncompromising application of USDOT certification standards. Recently, WisDOT entered into a Unified Certification Program Agreement with all USDOT recipients in the state of Wisconsin. When the program is operational in 2003, it will result in a "One Stop" certification system for all USDOT assisted contracts in the state.

The initial application for certification is made at the district level. While the certification process begins at this level, it ends at DBE Central Office. The Equal Employment Opportunity Compliance Coordinators are located in each of the WisDOT district offices. These offices initiate the certification process. The coordinators conduct on-site reviews, do interviews and review records to gather information that may support a claim of disadvantaged status. The final decision on certification, however, is made at DBE Central Office, and is by committee. The job of the committee is to see that federal guidelines governing eligibility to participate as a DBE in the DBE program are followed.

A potential DBE applicant must request a Certification Application packet from the Equal Employment Opportunity Compliance

Coordinator in the transportation district where the applicant's business is located. Application referrals for Regional Certification should be referred to the DBE Central Office; Regional referrals means the states of:

- Indiana
- Illinois
- Iowa
- Kansas
- Michigan
- Minnesota
- Missouri
- Ohio
- Nebraska
- Wisconsin

If an applicant contacts the WisDOT Central Office in Madison, the applicant will be referred to one of the eight statewide transportation district offices. Upon receipt of a completed application, the EEO Compliance Coordinator performs an initial review, noting any missing documentation or incomplete items in the application. Any additional information will be requested from the DBE applicant by letter and reviewed. After all documentation has been received, an on-site visit is scheduled with the DBE applicant at his/her place of business.

Generally, the on-site visit is conducted after completion of the District initial certification review. The WisDOT District personnel who conducted the on-site visit will then forward the certification application materials to the DBE Central Office in Madison, Wisconsin for review. The certification application packet consists of a certification application, contractor's statement of experience, definitions and eligibility standards, and statement of personal net worth.

The certification application materials are date stamped upon receipt at the WisDOT Central Office and assigned to one of the members of the certification review committee. This committee member will again review the application materials for completeness and accuracy. If any additional information is required, a formal written request is made to the DBE applicant with a two-week deadline.

The certification application is then evaluated to determine if the DBE applicant is eligible for certification according to 49 CFR Part 26. A certification recommendation is made with respect to the application and it is forwarded to the Certification Review Committee for a decision.

The Certification Review Committee meets weekly to evaluate the status of each certification application being reviewed. Each application should contain a certification recommendation by a committee member. If all the required information has been submitted, the committee will issue a final certification recommendation on an application.

If there are no concerns, the applicant will be issued a certification letter. In this letter, the DBE owner is informed of the areas in which he/she may perform work for DBE credit and the term of the certification, typically for three years. In addition, the DBE applicant is listed in the WisDOT DBE Directory where all certified disadvantaged businesses are listed according to the type of work they may perform for DBE credit.

If certification concerns remain after a thorough review of a certification application, then the DBE applicant is sent a Notice of Intent to Deny Certification letter. In this letter, the concerns of WisDOT are enumerated as well as the DBE Program's eligibility requirements. The applicant is typically given a two-week time period in which to respond to these concerns and/or request an informal hearing. If the applicant fails to respond to these concerns within this time period,

then a Denial of Certification letter is sent. If the applicant responds to the concerns, the Certification Review Committee again reviews the information.

If concerns remain, the DBE applicant is sent an Informal Hearing Opportunity letter. When requested, an informal hearing is typically scheduled within 30 days. An informal hearing is conducted before a panel consisting of WisDOT representatives from Legal Counsel, Highway Construction, Accounting, Affirmative Action, and the DBE Office.

The purpose of the hearing is to give the DBE applicant a full and fair opportunity to address the certification concerns raised in the Notice of Intent to Deny letter. During the course of the hearings, additional information or documentation may be requested from the applicant that must be received with 30 days of the hearing. Although these hearings are conducted on an informal basis, they are audio taped so that transcripts may be prepared. After the hearing, the panel will offer a recommendation to the Certification Review Committee and the DBE Programs Director. A Denial of Certification letter will be sent to the unsuccessful DBE informing the applicant of the appeal procedures to the United States Department of Transportation (USDOT). A successful DBE applicant is sent an Approval of Certification letter.

A DBE applicant that is denied certification may appeal to USDOT within 180 days of certification denial. When deciding a certification denial, USDOT will request all documentation used in making a certification decision including any transcripts of the hearing. The United States Department of Transportation (USDOT) may affirm or reverse the decision of WisDOT. An owner of a DBE firm that is denied certification by both WisDOT and USDOT may appeal the decisions to the United States District Court.

## Discretionary Projects

During the 1990 letting season, WisDOT established the process of setting "discretionary" goals on some construction projects. Instead of placing a specific percentage goal on a particular project, WisDOT allows the prime contractor to set a project goal at their "discretion." Discretionary goals are used by WisDOT to achieve the race neutral or voluntary portion of total DBE goal achievement. In FFY 2001, it was anticipated that one-third of total DBE goals would be met through race neutral means.



### Discretionary Goal Projects Federal Fiscal Years 1991–2001

Program Year	Total # of Discretionary Projects Achievement	Total # of Discretionary with Goal	Total Subcontract Dollar Achieved	Total Prime Contract Dollar Amount	Percent Achieved
1991	90	71	\$3,178,882	\$52,019,017	6.11%
1992	125	90	\$3,792,264	\$96,365,876	3.94%
1993	20	11	\$286,227	\$8,469,384	3.38%
1994	36	12	\$179,702	\$7,983,666	2.25%
1995	34	17	\$569,567	\$18,092,679	3.01%
1996	18	13	\$344,046	\$6,158,817	5.59%
1997	17	15	\$102,031	\$3,820,849	2.67%
1998	48	30	\$718,832	\$26,115,919	2.75%
1999	13	5	\$258,764	\$10,269,286	2.52%
2000	75	46	\$2,002,529	\$45,348,444	4.42%
2001	91	41	\$2,004,200	\$59,358,375	3.38%
<b>Total</b>	<b>567</b>	<b>351</b>	<b>\$13,437,044</b>	<b>\$59,358,375</b>	<b>4.02%</b>

- The discretionary goal percentages declined from 6.11% in 1991 to 3.38% in 2001, as well as the number of goal achievements.
- The number of discretionary assignments increased from 90 in 1991 to 125 in 1992, dropped off to 17 in 1997, increased to 48 in 1998, and also increased to 91 in 2001.
- WisDOT was not able to assign project goals in May of 1999 because a new transportation bill was not enacted into law.
- The dollar amount of discretionary achievement declined from 1991 at \$3,178,882 to \$2,004,200 in 2001.
- Discretionary goals are used by WisDOT to achieve the race neutral or voluntary portion of total DBE goal achievement. In FFY 2001, WisDOT expected one-third of total DBE goals will be met through race neutral means.



## Good Faith Efforts

During FFY 2001 WisDOT granted a total of 84 good faith requests to contractors. These requests were granted only after a careful and intensive review of contractors' efforts. Under the DBE Program, contracts may be awarded to bidders who fail to meet the assigned DBE goal on the basis of their good faith effort. Federal regulations require contractors to actively and aggressively pursue to meet the goal. In principle, a good faith effort requires documentation be maintained by the contractor to demonstrate to WisDOT the what, when, where and how of their efforts for achieving the unmet assigned contract goal. However, the federal regulations do not define "good faith." They indicate that a contractor exhibits good faith if they actively and aggressively attempt to meet the goal. The federal regulations are general and do not include every factor or effort that can be considered. As a result, different states may have different processes and consider different factors when making a determination of good faith.

DBE goals are not rigid numerical requirements. A contractor who does not meet a given numerical goal is not necessarily precluded from being awarded a WisDOT

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**"In principle, a good faith effort requires documentation be maintained by the contractor to demonstrate to WisDOT the what, when, where and how of their efforts for achieving the unmet assigned contract goal."**

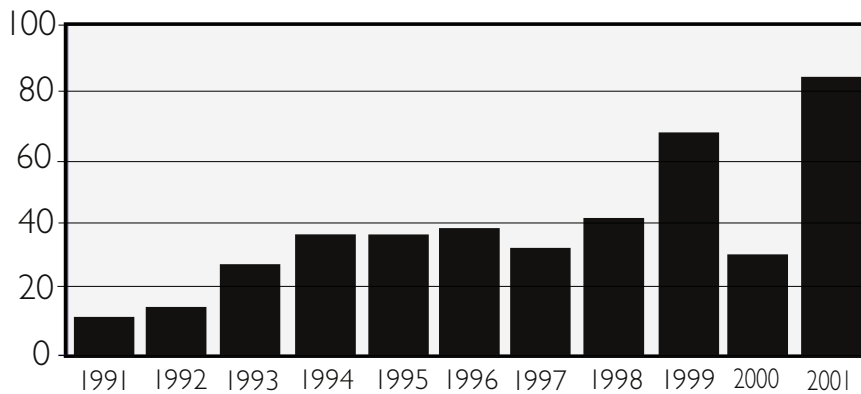
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contract, provided that the contractor is able to demonstrate that reasonable good faith efforts have been made toward meeting the goals. It is understandable that the degree of success attained by a contractor in the application of good faith efforts toward the utilization/participation of DBE contractors will necessarily

depend upon many variables. These variables and their impacts must be considered on a case-by-case basis to ensure fairness to each contractor and DBE. WisDOT uses the following criteria as standards for reviewing good faith efforts. The continued exchange of information among WisDOT contractors, and DBEs ensures the fair implementation of the good faith process.

- Contractors are allowed sufficient time after bid opening to prepare and document their good faith efforts. Detailed information on DBE participation is to be submitted by the contractor after bid opening. WisDOT has been lenient in enforcing the time requirement. The time limit is tailored to provide the contractors with the maximum time necessary.
- WisDOT has developed a standard form for contractors to submit with the supporting documents when requesting good faith effort. This document is the "Certificate of Good Faith Efforts." It helps to standardize the review process.
- A group from the DBE and construction offices evaluates a contractor's good faith request.
- The contractors may appeal the rejection of their good faith efforts. WisDOT has an in-house appeal avenue available as the first step for the contractor's appeal. Due process is allowed.
- A reasonable price is considered when evaluating good faith efforts. However, a maximum variable is not established because each contractor's good faith is determined on a case-by-case basis.

## Trend Analysis of Good Faith Waivers Federal Fiscal Years 1991–2001

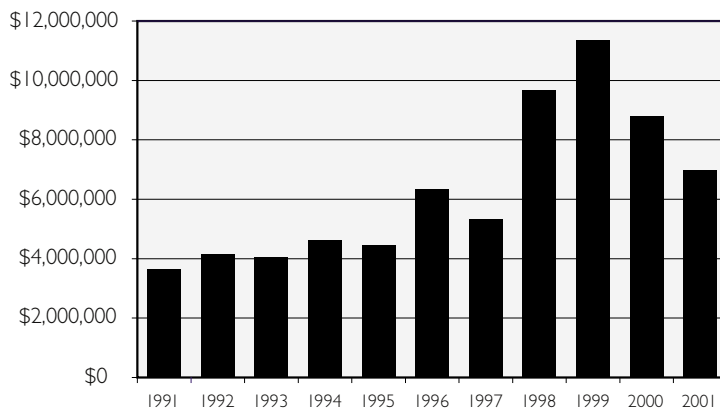


Program Year	Total # of Good Faith Waived	Total Dollars Waived	Total DBE Program Dollars	Percent Waived to Total DBE Program Dollars	Average Dollars per Waiver
1991	11	\$505,128	\$22,798,350	2.22	\$45,921
1992	14	\$976,613	\$29,241,477	3.34	\$69,758
1993	27	\$1,804,057	\$25,968,005	6.95	\$66,817
1994	36	\$1,538,600	\$25,020,434	6.15	\$42,739
1995	36	\$1,520,252	\$25,984,276	5.85	\$42,229
1996	38	\$3,804,653	\$29,838,797	12.8	\$100,122
1997	32	\$3,352,408	\$24,489,274	13.69	\$104,763
1998	41	\$6,494,088	\$33,632,926	19.31	\$158,392
1999	67	\$7,438,931	\$43,790,626	16.99	\$111,029
2000	30	\$2,641,705	\$45,077,636	5.86	\$88,057
2001	84	\$7,354,526	\$36,956,128	19.90	\$87,554
<b>Total</b>	<b>416</b>	<b>\$37,430,961</b>	<b>\$342,797,929</b>	<b>10.92</b>	<b>\$89,978</b>

The total number of good faith effort waivers increased between 1991 and 1994. They remained level through FFY1996 and decreased slightly in FFY1997. In FFY 1993, good faith effort waivers increased before decreasing in FFY 1999 and 2000. Then, they increased again in FFY 2001. Between 1991 and 2001, WisDOT has experienced an increase in good faith waivers. The increase

in good faith waiver may be caused by an increase in the size of projects, impact of new federal regulations on trucking, and graduation of DBE firms where the owners' personal net worth exceeds \$750,000. In combination, all of these factors influenced the ability of DBE firms to compete, particularly on larger projects.

## Trend Analysis of Trucking for Federal Fiscal Years 1991–2001



Prior to 1986, credit for DBE trucking was unrestricted. This meant that any certified DBE firm could receive credit for any trucks it provided on a project. This led to development of a large number of truck brokers in the DBE program that had the net result of siphoning DBE dollars away from legitimate DBE firms into non-eligible trucking firms. As a result, in November 1986 WisDOT instituted guidelines that limited trucking credit given to DBE firms. WisDOT allowed credit for two leased trucks for every truck owned by a DBE firm. The intent of these guidelines was to allow firms to grow, while at the same time limiting abuses.

A follow-up investigation in 1988 revealed that the DBE trucking community had not yet fully utilized their allotment of leased vehicles; however, this study focused solely on the documentation submitted to the Madison Central Office and not on the realities occurring in the field. Due to limited resources, WisDOT was not able to effectively monitor trucking, and many abuses were taking place through excessive use of ineligible vehicles. From 1988 to 1991, trucking accounted for an average of 13.37% of the program, or \$3.16 million a year. It was conservatively estimated that as much as 25% of this money was to ineligible firms.

## Trend Analysis of Trucking for Federal Fiscal Years 1991–2001

Program Year	Total Dollars	Number of Trucking Firms	Total # Owned/Leased Trucks	Average \$ Per Truck	Average \$ Per Firm
1991	\$3,653,567	29	285	\$12,820	\$125,985
1992	\$4,164,655	27	239	\$17,425	\$154,247
1993	\$4,063,943	29	339	\$11,988	\$140,136
1994	\$4,638,555	36	543	\$8,542	\$128,848
1995	\$4,460,164	43	573	\$7,784	\$103,725
1996	\$6,335,476	44	619	\$10,235	\$143,988
1997	\$5,329,454	41	652	\$8,174	\$129,987
1998	\$9,693,865	42	617	\$15,711	\$230,806
1999	\$11,356,488	41	642	\$17,689	\$276,988
2000	\$8,796,319	39	657	\$13,389	\$225,547
2001	\$6,982,994	49	709	\$9,891	\$142,510

In the 1991 construction season, abuses became so blatant that action was required. As a result, WisDOT issued new guidelines in March 1992 that strengthened and clarified the previous guidelines and instituted new reporting and monitoring procedures. The guidelines also allowed each district to randomly select a project to review for payments to DBE trucking firms. DBE firms were notified prior to the start of the construction season that WisDOT intended to stringently enforce the guidelines and impose sanctions for violations. As a result, both field and formal reviews showed a high level of compliance.

Imposition of tighter regulations in 1992 led to firms maximizing the available fleets of leased vehicles. This had not been done in the past because it was easy to use ineligible vehicles. The percentage of DBE dollars going to truckers steadily increased from 1990 to 1992. When new guidelines were established in March 1992, most of the work was already committed. This percentage stabilized at around 17%. In 1998, this percentage was 25%.

The percentage of DBE goals met through trucking, the average dollars per truck, and average dollars per firm increased dramatically in 1998. This may indicate that DBE Trucking Firms had unused capacity and were therefore able to handle the demands of an increased program.

New USDOT regulations issued in 1999 have had a dramatic impact on certified DBE trucking firms. The new regulations limit the DBE credit allowed for leased trucks to the commission fee charged by the DBE. This regulatory requirement has resulted in a precipitous decline in dollars going to DBE truckers.

## Letting Procedure

Typically, the lettings are held on the third Tuesday of each month. All work that is offered for bids is also advertised on the internet at [www.dot.state.wi.us/dtid/bhc/hwybids.html](http://www.dot.state.wi.us/dtid/bhc/hwybids.html). Bids are also published in the Western Builder Magazine, 625 River Parkway, Milwaukee, WI 53213, the phone number is 414.453.7700. Sample proposals may be issued, and plans sold to anyone desiring to receive them. To obtain sample proposals or plans call 608.266.3496.

Bidding proposals, however, are issued only to pre-qualified contractors in accordance with our policy on pre-qualification. To become pre-qualified, a contractor must complete and submit a Pre-qualification Statement (Form EC-409). WisDOT must receive the form at least five days prior to the letting.

## Trend Analysis of DOT Projects Federal Fiscal Years 1991–2001

Program Year	# Lettings per Year	Total # of Projects	Total Amount of Letting	Average per Letting	Average \$ of Each Project
1991	13	419	\$375,134,770	32	\$895,340
1992	11	461	\$420,439,437	42	\$912,016
1993	15	393	\$363,762,982	26	\$925,606
1994	10	471	\$419,190,374	47	\$890,000
1995	12	466	\$418,017,316	39	\$897,032
1996	12	437	\$476,149,390	36	\$1,089,587
1997	12	401	\$497,183,000	33	\$1,239,858
1998	12	454	\$553,177,602	38	\$1,218,453
1999	13	423	\$597,000,000	33	\$1,411,348
2000	12	428	\$582,525,679	35	\$1,361,041
2001	12	578	\$502,873,178	48	\$870,023

## **Bidding Procedure**

WisDOT must pre-qualify any individual that desires to bid on WisDOT highway projects. To become pre-qualified, an individual must complete and submit to WisDOT a Pre-qualification Statement (Form EC-409). WisDOT must receive the Pre-qualification Statement at least five days before the letting. Therefore, a contractor's pre-qualification status must be in effect on the day of the letting.

WisDOT is transitioning to an electronic bidding system that it expects to complete in FFY 2002. Meanwhile, a pre-qualified contractor may obtain a bidding proposal by completing Form EC-496 Request for Proposal and submitting it to WisDOT. WisDOT must receive this form by 11:45 a.m. on the day preceding the letting.

A bidding proposal will be provided to prospective pre-qualified bidders upon written application on a form furnished by the department, for their use in bidding upon a particular project or projects. Such a proposal, if tendered as a bid by any party other than the one to whom originally issued, will be considered irregular and void. Any erasure or alteration appearing on the designation of the party to whom issued will be considered prima facie evidence of non-compliance hereof and may render such proposal irregular. Proposals issued for information only will be marked "SAMPLE", not for bidding purposes," and will not be accepted as a bid.

The contract amount of all incomplete work under supervision of Wisconsin's Department of Transportation and all other incomplete work in-state or out-of-state, either as principal or subcontractor, and based on the latest current engineer's, architect's or owner's estimate, shall be shown on the form for requesting proposals.

A failure to supply information as to incomplete work may result in disqualification of the bidder. The commitment of personnel and equipment on a payroll or rental basis for the performance of definite and specific

work shall be reported as work on hand even though no formal contract exists.

The amount of all incomplete work will be used in determining the balance of work for which the applicant may receive bidding proposals, except that in establishing the net rating for bidding additional work, the prime contractor upon specifically reporting, will be given credit for the value of all work officially sublet to other contractors. A list of prospective bidders for specific projects may also be obtained by calling 608.266.3496. This information is available approximately 10 days before each letting. After each letting, bid results are published in the Western Builder magazine. WisDOT is transitioning to an electronic bidding system that will be available in the near future. You may also obtain this information by calling 608.266.1631. You may also obtain bid results by writing to:

WisDOT DTID  
Bureau of Highway Construction  
Room 601, P. O. Box 7916  
Madison, WI 53707-7916

## **Support Services**

Support services are an important component of the DBE program. After becoming certified, a DBE firm may receive support services offered at the DBE Support Services Offices (DBESS) in the cities of Milwaukee and Berlin, Wisconsin. These offices also provide services to prime contractors seeking to work with DBE firms. The DBESS office provides a variety of services and support to each of these two customer groups. For example, it offers management and technical assistance services to certified firms. These services include but are not limited to assistance with reading plans, interpreting specifications, accessing electronic bulletins board for information on bid lettings, contract addenda and eligible bidders and DBE firms, dealing with and resolving disputes with other firms and occasionally with WisDOT, and explaining WisDOT policies and procedures. After becoming certified, a DBE firm may utilize Annual Training Seminars.

## **Annual Awards Presentation**

During its 16-year history, the DBE program has successfully sponsored numerous workshops and annual awards programs. The annual workshop and awards luncheon is one of many ways for WisDOT to provide certified DBE firms with continuing education in business and industry. It also allows WisDOT an opportunity to thank its clients, customers, stakeholders, and supporters.

Firms that receive the Secretary's Golden Shovel Award are exceptional in their achievements and commitment. In 2000, a special award was presented to the National Association of Minority Contractors (NAMC)-Wisconsin Chapter, and the Wisconsin Transportation Builders Association (WTBA). The two transportation organizations received the first "Secretary's Industry Partnership Award" for their work to help shape approaches and processes to implement the new federal DBE Program in 1999. Both organizations exhibited exemplary cooperation and stewardship during their work on this process.

The second award of special significance went to the DBE firms of Arbor Green, Inc. in memory of Louis B. Rodriguez for his pioneering work in revealing the positive effects of a diverse workforce. Arbor Green received the prestigious "Henry Salem Bowles Pioneers Award" for Rodriguez's part in leading the way to hire and maintain a diverse workforce while working on WisDOT and other construction projects in Wisconsin.

At the annual awards celebration in 1999, two individuals and organizations received recognition for their work to help launch the "Investing in the Future Career Awareness Camp" in Wisconsin. The Camp and award are both of special significance in that those who had the foresight came forward and worked hard together to start a program in the state to introduce school-age youth to the possibilities of jobs and careers in the construction industry and trades. For this, WisDOT took the opportunity to recognize the contributions of Hafeezah A. Ahmed, formerly a DOT staff

member; and Dawn Pratt, representing Construction Resources Management, Inc. in presenting them with the "Secretary's Golden Shovel Award" for their persistence and commitment in making the first year of the Career Awareness Camp a success.

The "Sue Cronin Vanguard Award" was presented to Terry Ni, owner of TN & Associates during the October 23, 1998 annual awards luncheon. TN & Associates is a woman-owned engineering consulting firm who has since graduated from the DBE program and continues to be successful. The Vanguard Award was presented to TN & Associates in recognition for the progress made by women owned businesses in honor of the late Sue Cronin, a trucking company owner who led the way in opening the doors of business in construction for women in Wisconsin.

The DBE Program continues its training and award events, which provide the opportunity and forum to acknowledge contributions and support from others. These programs will remain geared to keeping DBE firms current with information on business, technical and industry trends and how these trends may affect how firms do business in general and with WisDOT in particular.

## **Congestion Mitigation and Air Quality Improvement Program**

The first year of DBE Participation for projects authorized for the Congestion Mitigation and Air Quality Improvement Program (CMAQ) occurred in Federal Fiscal Year 1994. About \$38,566 in DBE participation occurred on 15 projects. For Fiscal Year 1995, 29 projects were authorized with \$381,808 DBE participation within an \$8.9 million program consisting of: alternate fuels, transit, bicycle/pedestrian, transportation demand management signalization and Inspection and Maintenance projects that effectively reduce emissions from the transportation sector. CMAQ project funds are limited to the state's six ozone non-attainment and three maintenance status counties in

southeastern Wisconsin. Eligible projects must have a public sponsor and be able to guarantee the matching funds.

In February 1996, 27 projects were authorized totaling \$5.1 million. DBE Goals for the approved projects total \$205,584. In Fiscal 1997, WisDOT authorized 22 projects. The projects exceeded \$5.1 million. Goals for participation for the approved projects totaled \$183,525. Initially, the 1997–99 biennial state budget authorized approximately \$5.5 million each for FFY 1998 and 1999. In response to the increased federal funds provided to Wisconsin under TEA-21, the 1999 amount was increased to \$12.5 million. In the fall of 1998, the department awarded \$16.8 million in federal funding to 18 projects in Southeastern Wisconsin. DBE goals of \$1,052,653 were approved for the total federal and local costs of the projects.

### **Statewide Transportation Enhancements Program**

For the period October 1995 through September 1997, WisDOT authorized a \$14.5 million program, with 9.31% DBE participation for bike/pedestrian paths, landscaping projects, and for preservation or mitigation activities above and beyond the normal scope of a highway project. Eligible projects are publicly sponsored, most at a local level. In total, 89 projects were authorized, with varying goals for DBE participation specified within the local agreements. The DBE Office has proposed total DBE goals amounting to \$1,352,865 for all these projects.

The 1997–1999 state biennial budgets authorized \$3,750,000 each year for Enhancements Program. In response to the increased federal funds provided to Wisconsin under TEA-21, the 1999 amount was increased to \$6.75 million. In September of 1998, the Department awarded \$11.5 million in federal funding to 47 projects throughout the state. DBE goals of \$1,097,307 were approved for the total federal and local costs of the projects.

### **DBE Consultant Industry**

During the period from 1994 through 1998, WisDOT representatives have collaborated with members of the Wisconsin Association of Consulting Engineers, members of the National Association of Minority Contractors–Wisconsin Chapter, and other interested partners to produce and update action plans for improving DBE participation on WisDOT consultant engineering and related contracts. The plans have generally contained strategies on such topics as program and company goals, mentoring, and project packaging. In addition, WisDOT's Transportation Districts and other offices annually review their achievements and then estimate potential participation for the next year. DBE participation has improved. In SFY 1998, the overall statewide participation was 11.57% in relation to 11.2%, 8.1% and 6.8% in the preceding years.

In 1998, additional initial efforts were undertaken to reinforce and possibly bolster firm capacity in view of the increased transportation program. The Statewide Consultant Engineer is working with the ODBEP to explore the contracting objectives and concerns of a representative group of firms. Common and specific issues were identified for further review and action. Additional firms were contacted in 1999. Mentoring and venturing activities remain of high interest to DBE firms, both among themselves and with prime level contractors. These objectives have also been recorded in the Office of Disadvantaged Business Enterprises' Action Plan for Delivering an Increased Program. An existing capacity building contract will also be reviewed for application to the consulting industry firms.

### **Native American Initiative**

WisDOT is currently working in partnership with Lac Courte Oreilles Ojibwa Community College (LCOOCC), and the College of the Menominee Nation (CMN). In conjunction with FHWA, WisDOT has arranged for

LCOOCC to obtain computers, equipment, and materials. They have also contracted with LCOOCC and CMN to provide training to Native American disadvantaged business enterprises. WisDOT has also contracted with LCOOCC to update District GIS files. Both LCOOCC and CMN have hosted Summer Transportation Institutes. The aim of the Native American Initiative (NAI) is to increase participation of Native American contractors in WisDOT projects.

For example, LCOOCC recently obtained funding from USDOT to train Tribal Governments in preparing road inventories. The GIS Center of LCOOCC is performing work for WisDOT District 7 and District 8. WisDOT has worked with the Wisconsin Division of the Federal Highway Administration, and the Lac Courte Oreilles Ojibwa Community College (LCOOCC) in Hayward, Wisconsin to produce a number of successful programs helped by more than \$300,000 in grants. The grants helped to produce work and programs recognized by others including the American Association of State Highway Transportation Officials (AASHTO) Standing Committee on Quality. The initiative received the Secretary's Golden Shovel award. The NAI team also has made presentations at the annual meeting of the Transportation Research Board in Washington, DC that serves to highlight the kinds of activities the initiative involves itself in such as:

- Orientation programs for newly certified Native American firms;
- Training for current and potential Native American firms with courses predicated on needs identified by contractors themselves;
- Acquisition of computers, equipment, and materials;
- Further development of the resource clearinghouse for online access at [www.lcooccbusinesshelp.org](http://www.lcooccbusinesshelp.org);
- Use of grants to develop correspondence courses for Native American contractors and curriculum develop;

- Sponsorship of a National Highway Institute (NHI) course "Partnering For Indian Employment," a four-week program designed to interest disadvantaged youth in transportation careers;
- Workshops on mentoring with prime contractors; and
- Sponsoring the Summer Transportation Institute.

## **Business Capacity Building Program**

The Capacity Building Program has as its core the objective of helping DBE firms to realize their full potential in business development and growth through the introduction and use of a full-range of business management tools, services, and applications. Certified DBE firms are eligible for the following services:

- Individualized Development Plans;
- Management and Technical Assistance (one-on-one);
- Management and Technical Assistance (classroom);
- Contract Procurement Assistance;
- Bidding Process;
- Contract Pre-Qualification;
- Workforce Development;
- Contractor/Consultant/Supplier Assessment;
- Building Business Relationships; and
- Marketing Strategies.

## **Mobilization Loan Guarantee Program**

The Mobilization Loan Guarantee program was established in 1989. In that year, the program achieved a 99.9% success ratio. The program is designed to help certified DBE firms obtain working capital. It allows DBE firms to participate in transportation-related construction contracts with WisDOT and provides professional assistance and services to utilize the loan program. During FFY 1995, DBE firms



received a total of \$570,603 in loans under the program. During FFY 1996, DBE firms received \$484,116 in loans under the program, and in FFY 1997 they received \$361,453. In 1998, eleven loans totaling \$259,300 were made to three DBE firms. In 1999, eight loans totaling \$296,519 were made to two different firms. In the year 2000, a total of six loans totaling \$237,563 were made to four different firms. The Mobilization Loan Guarantee program:

- Guarantees up to 90% of a loan for eligible DBE firms not to exceed \$250,000;
- Provides up to 50% of the contract amount; and
- Works with any Wisconsin bank, savings and loan, or credit union.

### **Legal Assistance Program**

The goal of the Legal Assistance program is to ensure owners of DBE firms have access to legal services and information critical to the development, growth, and operation of their business. Certified DBE firms are encouraged to take advantage of these services by contacting the provider to explore ways in which their company may benefit. Some of the services offered under the Legal Assistance program include:

- Business Organization Services
- Merger and Acquisitions
- Contract Development, Review, and Negotiation
- Employee Agreements
- Non-Competitive Agreements
- Corporate Policies and Procedures
- Corporate Records and Documentation
- Corporate Transactions
- Real Estate Transaction (buyer/seller)
- Licensing Agreements
- Non-Disclosure Agreements
- Joint Venture Agreements
- Board Development
- Tax Planning

### **Financial Management and Consulting Services**

The goal of the Financial Management and Consulting Services program is to help the owners of DBE firms become better equipped to make informed decisions relating to the financial and accounting needs of their company by providing a wide range of services and solutions to their day-to-day business needs. With access to a full-range of financial management services and tools, DBE firm owners can explore the benefits described below.

- Cash Management
- Risk Management
- Financing Information
- Business Valuation
- Compensation and Benefit Plans
- Computer-Based Accounting Systems
- Compliance with Government Regulations
- Total Quality Management Services
- Organizational Restructuring

### **Business Succession Planning**

The purpose of the Business Succession Planning program is to assist owners of DBE firms in creating a plan for transferring management responsibilities, legal control, and economic ownership interests upon the disability, retirement, or death of the current owner or manager. The reasons that a family business should have a succession plan are varied and numerous including to:

- Avoid forced sale of business to pay estate taxes;
- Avoid estate taxes on future growth in the value of the business;
- Provide retirement income; and
- Retain and provide incentives to key employees.

Business Succession Planning may also enable a DBE owner to answer the questions below:

- Should the business be preserved in the family?

- Are there economic justifications for retaining the business in the family?
- Is there a need for interim guidance by experienced personnel?
- What are the estate liquidity needs?
- Can the business avoid forced liquidation?
- Is the business aware of the highest marginal estate tax and gift tax bracket?

## **Transportation Alliance for New Solutions Program**

The Transportation Alliance for New Solutions (TrANS) program is a seventh year jobs partnership program operating in Southeast, South Central, and most recently in Central and North Central Wisconsin. TrANS is a public-private model for collaboration and success for preparing the underemployed with skills needed to gain access to the road-building industry as laborers and apprentices. TrANS demonstrates how the public and private sectors can work together to address the outreach, preparation, placement, and retention of women, minorities, and others in the highway construction skilled trades. TrANS is an industry driven plan produced from the ground up by major industry and labor organizations, community based service providers and government.

There are over 24 partners, including: the Wisconsin Transportation Builders Association (WTBA); National Association of Minority Contractors (NAMC); Wisconsin Women's Council; and the Wisconsin Laborers' District Council. Community-based organizations provide services to screen, orient, and prepare people for employment as laborers in the road building industry through outreach, marketing, screening, and industry awareness programs.

The intent of TrANS is to provide full time employment for the best laborers and help them progress into apprenticeships in the highway construction skilled trades. TrANS participants undergo an intensive 120-hour soft and hard skills preparation program that utilizes industry professionals.

A variety of topics are covered including those in the table that follows.

- physical conditioning
- job site safety issues
- tool identification/usage
- map reading
- construction terminology
- CDL training
- construction math
- hands on projects
- apprenticeship opportunities
- work ethics

The TrANS staff works closely with potential employers to identify their labor needs and tailor their classroom instruction to help prepare potential employees to be placed in jobs offered by the contractors. Classes of 15-20 candidates in size raise preparation quality. After placement, TrANS continues its work with employers and their new hires to ensure job success and job retention. The program also helps remove barriers to success by providing backup or temporary assistance for child care and transportation alternatives to its participants.

The project has come a long way since its inception, and has won grants and awards. In excess of 400 people have been placed in family supporting positions as laborers in the industry. Not only does TrANS address the underutilization of and provide preparation and employment opportunities to women and minorities, but it also saves contractors time and money on screening and job preparation costs of potential employees. Well over 100 contractors have hired TrANS graduates. This program is a perfect example of how the public and private sectors can come together to help people become independent and self-sufficient, while at the same time, providing contractors with skilled labor to fill their vacant positions. TrANS has evolved from early consortium development, to leadership for planning, expansion, work group management, and fostering relationships and collaboration. The placement history of TrANS is contained in the bulleted items.

- The TrANS pilot program began in 1995. Forty men and women were trained and placed by the program in that year. Ethnically they were African-Americans, Native Americans, and Hispanic Americans.
  - In 1996, the second year of the program, 41 new placements were made in addition to 10 rehires from 1995.
  - In 1997, 57 new placements were made in addition to 34 rehires from 1995 and 1996. For the period 1995–97, an estimated 25% of placements received their commercial drivers licenses. During that timeframe, six TrANS graduates progressed to operating engineer apprentices, two became cement finisher apprentices, and one each became a pre-apprentice cement mason, a crew leader, and a foreman.
  - In 1998, there were 54 new placements, and 16 rehires among a wider base of contractors. Among these 1998 TrANS graduates, 16 (20%) have their commercial drivers licenses and four TrANS graduates have progressed to operating engineer apprenticeships; two have progressed to cement finisher apprenticeships; and six have reached leadership/supervisory positions.
  - In 1999, the Milwaukee site had 55 new hires and Madison had 12.
  - In 2000, Milwaukee placed 61 new hires, and Madison placed 19. Three new TrANS operators were added in 2000. They are located in Wausau, Beloit, and Antigo. The Wausau site placed four TrANS participants in 2000, Antigo placed 21, and Beloit placed two. The program placed a total of 107 participants during 2000. In addition, the Milwaukee site placed 16 participants who were rehires. The Madison site had eight rehires and Antigo six rehires during the same period.
  - In 2001, 56 new hires occurred in southeast Wisconsin and 21 in southcentral Wisconsin.
- During this period, all TrANS operators reported rehires from the previous construction season. In addition, Milwaukee reported two participants placed in apprenticeships.

The following representatives from industry and labor, government agencies, and community-based organizations constitute a majority of WisDOT partners that share the goals and values of the TrANS program.

- Wisconsin Transportation Builders Association, and Participating Contractors
- Associated Builders and Contractors of Wisconsin
- National Association of Minority Contractors–Wisconsin Chapter
- Wisconsin Laborers' District Council
- Wisconsin Operating Engineers
- YWCA of Greater Milwaukee
- YWCA of Greater Madison
- Urban League of Greater Madison
- Esperanza Unida
- Milwaukee-Area American Indian Manpower Council
- Boys and Girls Club of Greater Milwaukee
- Rock County OIC
- YWCA of Wausau
- Forward Service Corporation of Antigo
- Wisconsin Department of Workforce Development
- U.S. Department of Labor
- Wisconsin Women's Council
- Wisconsin Technical College System
- Federal Highway Administration
- Lieutenant Governor Margaret Farrow

## **On-the-Job Training Program**

The On-the-Job Training (OJT) program is related to apprenticeship training on WisDOT highway projects and is guided by the Governor's Executive Order #7. The policy is to promote the full realization of apprenticeship opportunities on state and state-assisted construction projects, and that no contracts or subcontracts shall be awarded for state and state-assisted construction projects in Wisconsin, unless the bidder agrees to an acceptable apprenticeship program that includes specific ratios of apprentices in

skilled trades that the Wisconsin Department of Workforce Development has determined eligible for apprenticeships.

## **Additional Special Provisions**

There are three distinct Additional Special Provision program elements associated with OJT. These are ASP-1, ASP-2, and ASP I-T. Each program element has the objective of providing an incentive to contractors to train and upgrade minorities, women, and the disadvantaged to journey level status. In the skilled crafts trade, where minorities and females are under-represented, a majority of the training positions on each project must be filled with members from these groups. If the objective is not achieved, contractors are required to furnish evidence to WisDOT of their efforts to recruit these targeted groups.

Under ASP-2, contractors agree that in the performance of work under a contract by contractors or any subcontractors, every effort be made to employ apprentices in the maximum ratio of apprentices to journeymen as determined by the Department of Industry, Labor and Human Relations, and whenever possible at least 25% of these apprentices should be first-year apprentices.

Beginning in 1998, training reimbursements to employing contractors for new placements, rehires or promotions of TrANS graduates were made at the rate of \$2.00 per hour on federal aid projects, when TrANS graduates were initially hired or rehired as unskilled laborers or the equivalent. Training reimbursements were made at the rate of \$4.00 per hour on federal aid projects when a TrANS graduate enters an apprenticeship in an underutilized skilled trade. The employing contractor may receive reimbursement for up to one year from the date of the initial hire as a TrANS program placement.

The employing contractor may receive reimbursement for up to four years if the TrANS graduate is placed in an apprenticeship. The maximum reimbursement period is five

years. The \$2.00 per hour rate is intended to cover the period during which training would bring the trainee's skill at least to an entry-level laborer. Contractors estimate this period to be about one year. The \$4.00 per hour rate is intended to promote a TrANS graduate entry into an underutilized skilled-trade apprenticeship. The enhanced incentive payment benefits TrANS candidates by giving them a better opportunity to enter a skilled trade.

It also benefits contractors who will be assisted in meeting their EEO profiles and goals; and benefits the public who will see the program reinforce larger public-private employment reform in Wisconsin. The pool of TrANS graduates was created for the purpose of addressing underutilization in the skilled trades, an objective that is further reinforced by a parallel retention pilot program known as the Company-Wide Reporting Program. Based on data administered by Wisconsin Department of Workforce Development, the highway construction skilled trades remain underutilized for minorities and women. Unless they use other advancement strategies, contractors are encouraged to use some or all of this monetary incentive to offset the cut in hourly wages an individual may incur when entering an apprenticeship, if the full general laborer hourly rate has been previously paid. No special accounting measures are required.

## **Additional Special Provisions Implementation**

The implementation of ASP I-T, in concert with ASP-I, was intended to only cover the amount of time it took to resolve underutilization of the targeted groups. Goal achievement is measured annually at the county and state level using data provided by the Wisconsin Department of Workforce Development (DWD). This data is compared to the goals set by the United States Department of Labor Office of Federal Contract Compliance Programs (USDOL-OFCCP). With state and federal approval, WisDOT may also measure goal attainment at the company level.

WisDOT will simplify tracking participants by creating an automated computer system called the OJT Access Tracking System. This may require improved linkages with the WisDWD apprentice database, and information from company and committee level sources. The long standing ASP-I for contractor participants and apprentices whom are not TrANS graduates remains in effect. Federal regulations prohibit discrimination in the TrANS program. The program, however, is a tool that contractors may use to rectify underutilization of women and minorities as laborers and apprentices in the highway construction industry.

## **Career Awareness Summer Project**



The Career Awareness Summer Project (CASP) started in 1999 as a five-year pilot project sponsored by the Federal Highway Administration (FHWA) and the Wisconsin Department of Transportation (WisDOT). The program was modeled after the Garrett A. Morgan Technology and Transportation Futures program, an initiative that sought to expose both children and adults to career opportunities in the transportation industry. The goal of CASP is to expose young people to careers in the transportation industry and construction. It is a free one-week in residence program aimed at youth in the fifth through eighth grades. The project provides an opportunity for young people to observe professionals use industry tools and machinery as they work on WisDOT projects. WisDOT is partnering

with industry, labor, community organizations, and government to support the Career Awareness Program's multiple goals to:

- Introduce a diverse group of youth to careers in the transportation industry, highway construction, and the skilled trades,
- Demonstrate the need for education in math, science and language,
- Provide simulated project experiences such as reading plans, taking measurements; identifying tools and machinery, and team building, and
- Develop an understanding of career opportunities within WisDOT and related industries.

A total of 103 youth attended the camp in 1999. One hundred attended in 2000 and 115 in 2001. Children from each of 5 racial groups participated in each of the three years. In 2001, 45 blacks, 16 Asians, 46 whites, 4 Native Americans, and 4 Hispanics participated in the project at UW-Whitewater. Among the 100 youth that attended the project in 2000, 48 were black, 23 were white, 15 were Asian, 10 were Hispanic, and 4 were Native American. The racial/ethnic breakout for 1999 project is as follows: 51 black, 35 white, 16 Asian, and 1 Hispanic. There were no Native Americans.

## **Company-wide Reporting Pilot**

A two-year pilot program was initially approved on May 20, 1996, and renewed for two additional years to January 2000 by the Federal Highway Administration to help improve the processes and results of the On-the-Job Training Program. Four firms participated in 1996; 10 in 1997; and a total of 14 companies participated in 1999 and 2000. Staff of contractors, WTBA, FHWA, WisDOT Central Office, and WisDOT District Offices developed the proposal. The Company-wide Reporting Pilot is an industry driven program. It enables participating contractors to improve trainee outreach, training and retention, and allows for reporting training plans and trainee

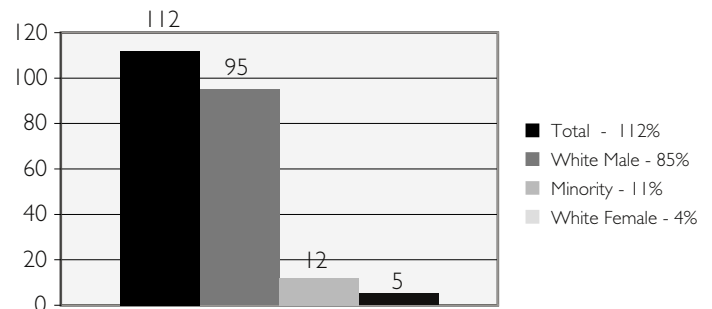
progress on a company-wide versus project-by-project basis. Companies provided at least 1000 hours of annual training per trainee.

Reporting is reduced, and corporate commitment to training plans and balancing the workforce are reinforced. Participating companies are making progress in placements, advancements and retention, and reducing paperwork. In addition, women and minorities are now among new apprentices and those who are advancing. For instance, among 171 total apprentices, 36 were new during 1997, 11 of which were either females or minorities. In addition, among 29 total TrANS participants, eight were new during 1997. Contractors are continuing to make progress toward a focused objective for increasing the numbers of women and minorities among the new hires. And, in a continuing effort to reduce paperwork, an entire manual reporting process (the EC716 form) has now been eliminated.

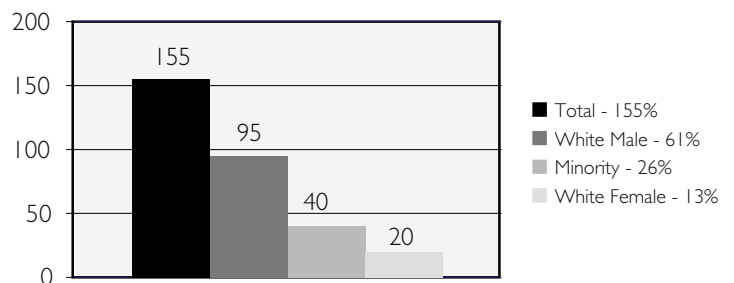
Since August of 1994, a forum has existed to discuss short-range concerns regarding DBE programs and activities, and to lay the groundwork for longer range program planning, development and improvement. The Industry Focus Group includes contractors (primes and DBEs), NAMC-Wis., WTBA, FHWA, and WisDOT staff. The group has established a positive foundation for addressing DBE processes and opportunities. Objectives also included communications, education and capacity building strategies. The Industry Focus Group is an operational arm of the Transportation Advisory Committee. It is anticipated that the Industry Focus Group will also be convened in whole or as a part of the Transportation Advisory Committee meeting process to discuss the pending implementation of new federal DBE program regulations.

## Apprenticeship participation

### Non-company-wide



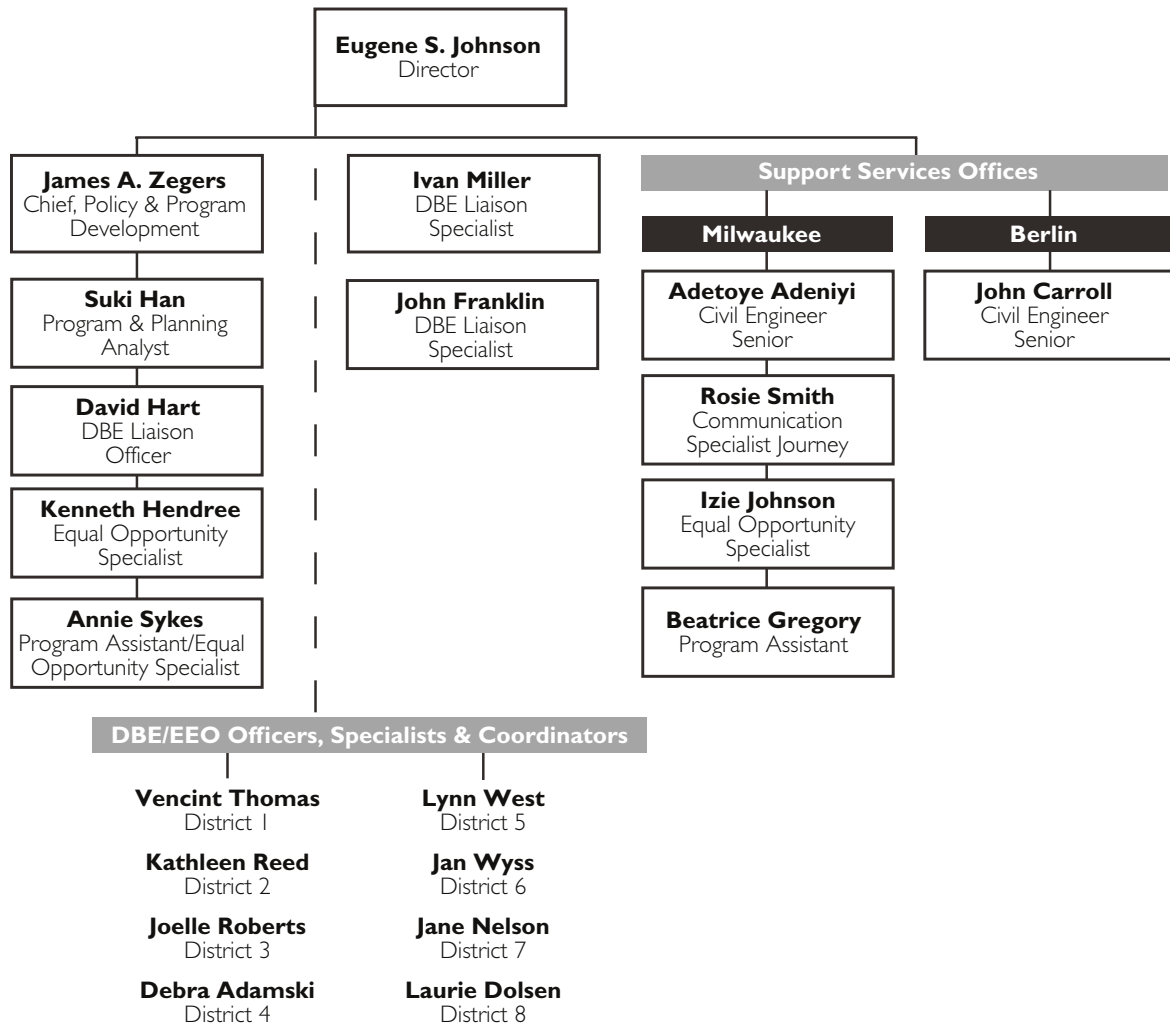
### Company-wide



- In FFY 2001, 13 companies were in Company-wide Pilot Program.
- Company-wide companies had 155 apprentices for the year:
- Fifty-five apprentices are new to apprenticeship; 15 white male; 40 minorities and women.
- Five have advanced to Journey Level; five white male; one minority and women.
- Thirty-eight advanced from one year to another; 28 white male; 6 minorities and women.

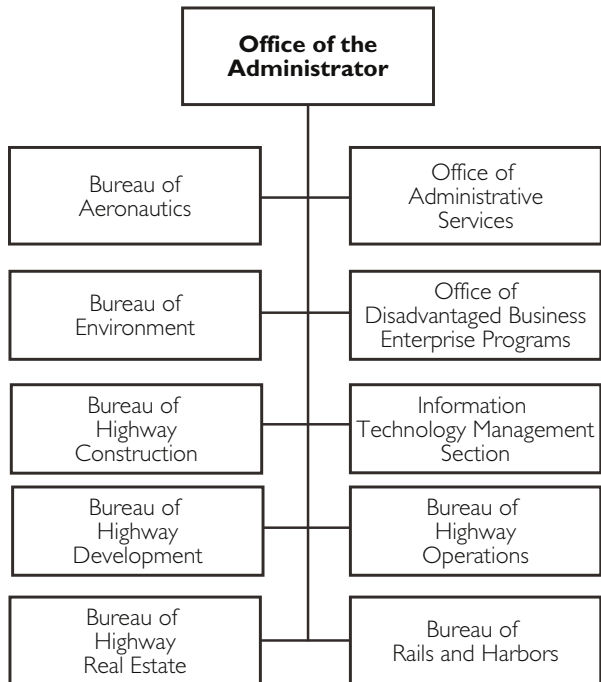
# Office of Disadvantaged Business Enterprise Organizational Chart

## Appendix



Division of Transportation  
Infrastructure Development  
Organizational Chart

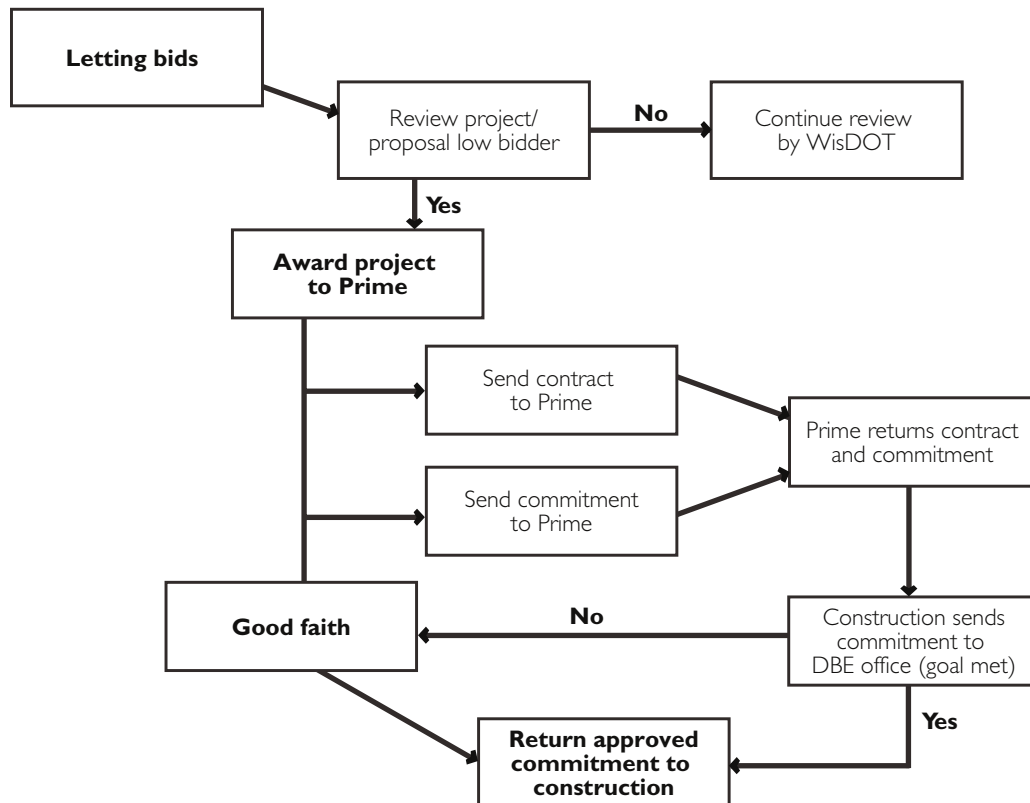
**Appendix**





## Flowchart of Commitment to Subcontract to DBE Firm Review Process

## Appendix



# Flowchart of Certification Review Process

## Appendix

